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THE ALBERTA WORKFORCE TO THE YEAR 2000

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The Alberta Workforce To The Year 2000

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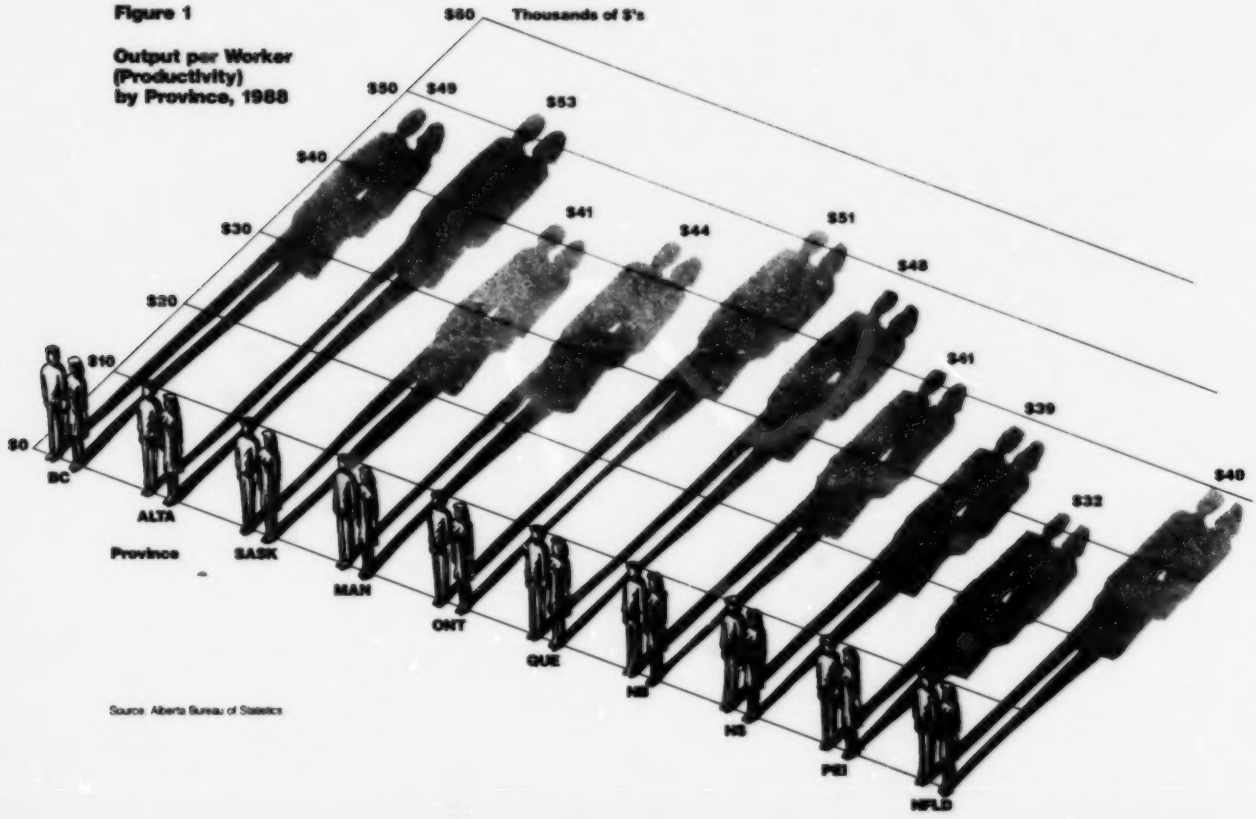
The Alberta Workforce To The Year 2000

Introduction

Statistics indicate that the Alberta workforce is among the most productive, (See Figure 1) well-educated, (Figure 2) highly-skilled, literate and youthful (Figure 3) in Canada. Compared to the rest of Canada, Alberta has the highest proportion of its working age population employed. However, the nature of the labour market is constantly changing in response to economic and social conditions and the personal goals of individuals. As a result, mismatches between workplace demands and workforce capabilities can emerge quickly, leading to increased unemployment for individuals and reduced productivity for business.

Figure 1

Output per Worker (Productivity) by Province, 1988



Source: Alberta Bureau of Statistics

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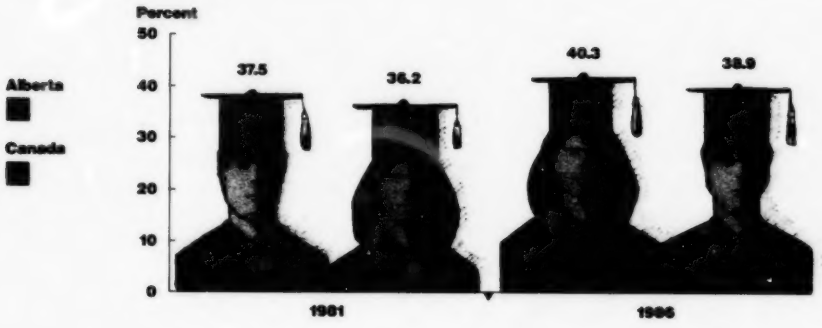
The dynamic nature of the labour market can be illustrated by 1987 data on the flow of individuals into, out of and within the labour force. Of the approximately 1,475,000 people in the Alberta labour market during that year, 548,000 (39 percent) underwent some form of labour market transition due to promotion, layoff, retirement, job change or withdrawal from the workforce to care for children or undergo training. Others entered the labour market for the first time or after a prolonged absence. This large degree of change is typical of the labour market and not the result of unusual circumstances.

Figure 2

Proportion of Labour Force with Post Secondary Education, Alberta & Canada, 1981 & 1986



Source: Statistics Canada, 81/86 Census

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As significant as it already is, the degree of labour market change may intensify over the next decade as new technologies and growing international competition continue to force existing industries to restructure or seek new opportunities. Demographic shifts are also expected to alter substantially the nature of the workforce. To remain competitive, companies and individuals are already finding they must continually adapt and seek new opportunities. As the economic and social changes of the 1990s unfold, individual career planning and corporate human resource management may become more important than ever before. Governments, which have traditionally developed policies and programs to assist individuals adversely affected by labour market upheaval, will face new challenges. Clearly, all Albertans will have to work together as partners to meet these challenges.

This paper summarizes major trends expected to affect the labour market in the 1990s and examines their public policy implications. Its purpose is to serve as a discussion document that reflects the commitment of the government of Alberta to assist in the development of a high caliber workforce.

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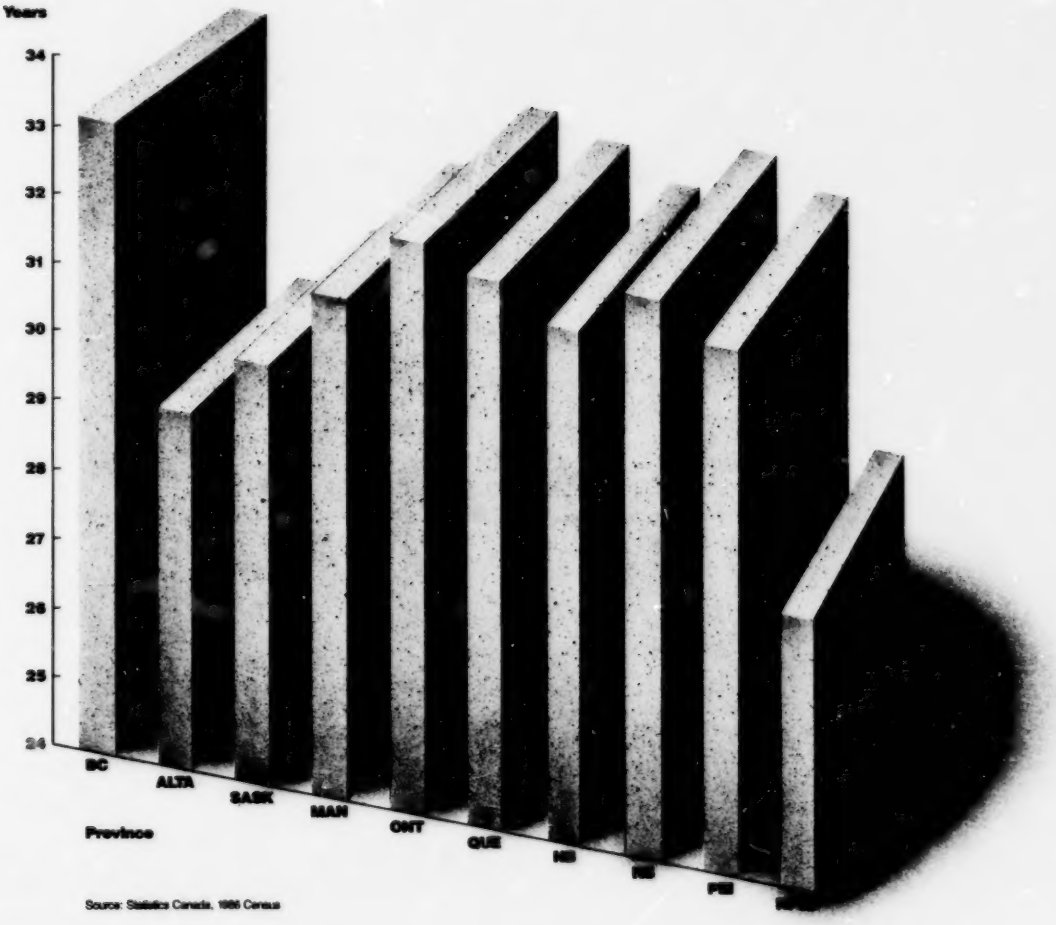
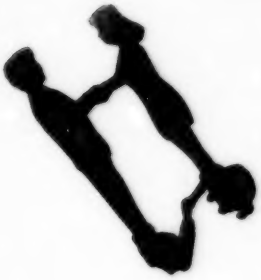
Figure 3

Median Age of Population by Province, 1986



Source: Statistics Canada, 1986 Census

THE MAJOR TRENDS THAT WILL AFFECT THE LABOUR MARKET IN THE 1990s



The descriptions that follow are the major trends expected to affect the Alberta labour market during the next 10 to 12 years.

A. The Global Market Place

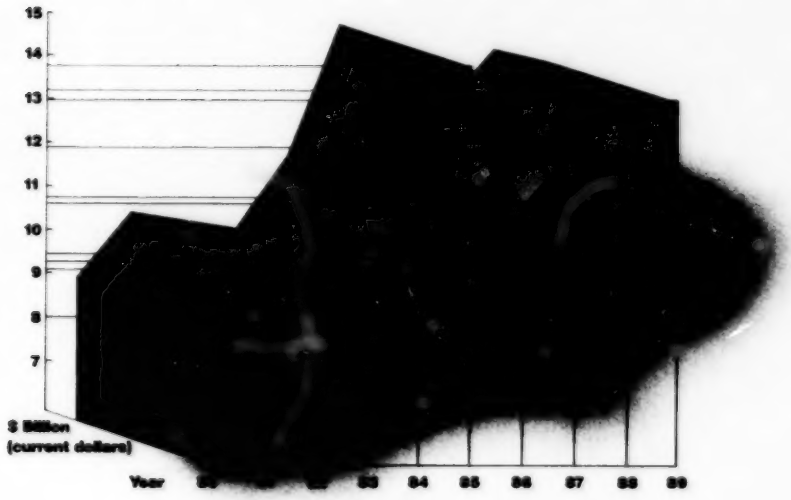
Competition within international trading markets is increasing considerably. Strongly encouraged by the provincial government, Alberta companies have already developed new international markets for many of their products and services. The continued ability of the Alberta private sector to compete abroad requires a workforce equipped with the skills and flexibility to adapt quickly to changing consumer demand. (Figure 4)

B. Cyclical and Seasonal Shifts

Though responsible for much of the province's wealth, Alberta's resource industries are subject to cyclical and seasonal downturns. Despite optimistic forecasts for resource-based industries in the 1990s, Alberta's resource sector and workforce will continue to be affected by changes in the world marketplace.

Figure 4

Alberta's International Export Levels, 1980 - 1989



Source: Statistics Canada

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C. From Oil to Computer Chips

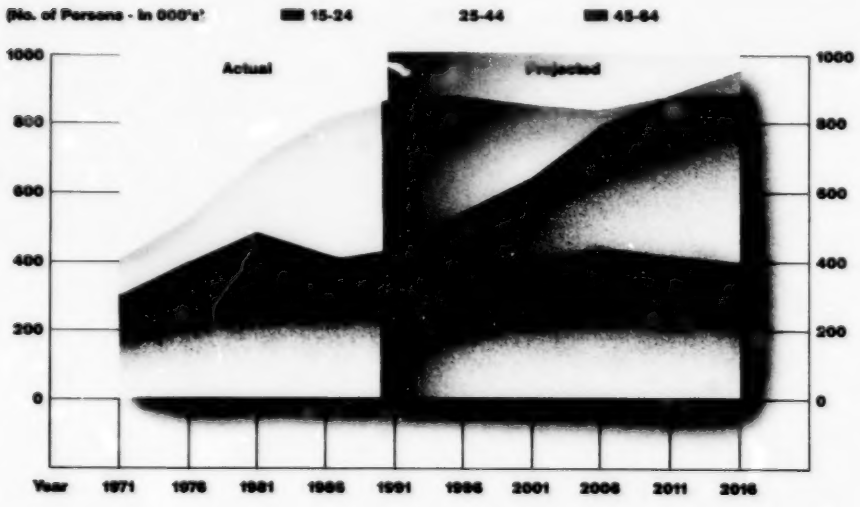
Alberta is moving from a resource-based to a knowledge-based economy. This shift is accompanied by rapid technological change, the growth of employment opportunities in the service-producing sector, and the impact of the Canada-U.S. Free Trade Agreement. Small business will continue to be the primary source of job generation. As the pace of diversification increases, particularly in the advanced technologies, this knowledge-based economy will require new, innovative skills from its labour force.

D. The Maturing Alberta Population

The average age of the Alberta population is rising. The size of the 15-to-24 age group is declining while the number of Albertans aged 45 years and older is increasing. (Figure 5) A falling birth rate and decreased in-migration from other provinces have caused this demographic shift. Meanwhile, immigrants and natives continue to experience higher than average birth rates, thus forming a larger proportion of the youth population than in the past. As a result, the job seekers of the 1990s will come from different age and ethnic groups than those of the 1980s.

Figure 5

Population by Selected Age Groups Alberta, 1971 - 2016



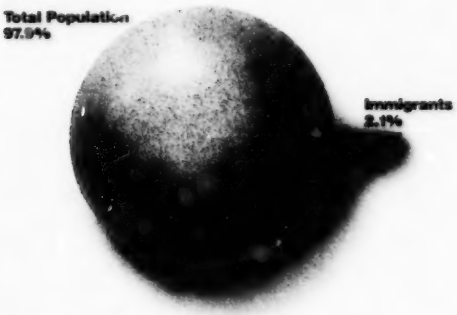
Source: Alberta Bureau of Statistics & Statistics Canada, March 1990

E. Changing Immigration Sources

The province will begin to rely more heavily on immigrants to meet its labour market needs. The majority of Alberta's recent immigrants have come from the non-European nations. consequently, there will be an increased demand for services for immigrants in basic skill training and English-as-a-Second-Language training (Figure 6 and 7).

Figure 6

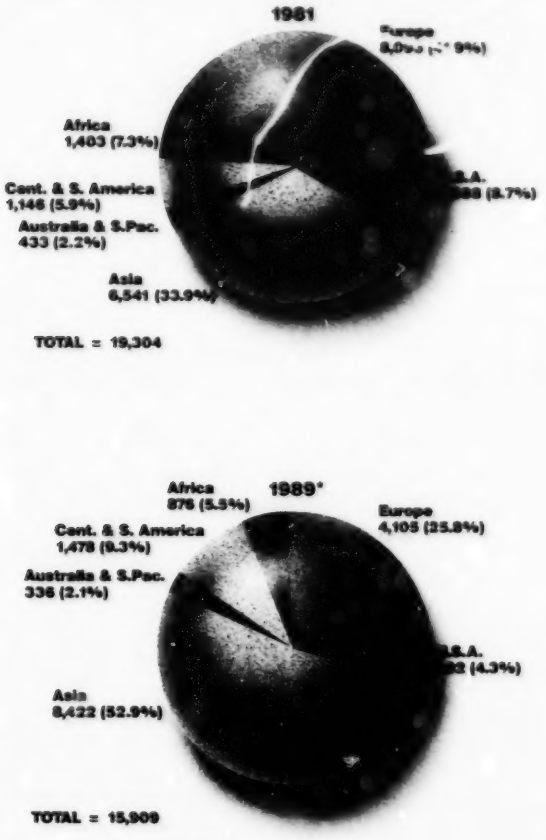
Recent Immigrants as a Proportion of Alberta's Total Population*



*Note: Refers to the 1986-89 period.
Source: Labour Market Research Division, Career Developments & Employment, March 1990

Figure 7

Sources of Immigration Alberta, 1981 and 1989*



*Note: Data for 1989 is preliminary.
Source: Labour Market Research Division, Career Development & Employment, March 1990

F. Fairness in the Workplace

Growing concern about fairness in the workplace is being raised by a variety of special interest groups. Fairness in the workplace encompasses such issues as equal access to training, employment and advancement opportunities, as well as fairness in compensation and benefits. These concerns are important, not only from a social justice perspective, but also from a labour market perspective. Many groups not participating fully in the labour market today, such as natives, women, persons with disabilities and immigrants, will become an increasingly valuable source of labour in the 1990s. Although no agreement exists as to the most appropriate response to these issues, they will present a major challenge to society over the next decade.

G. Concern for the Environment

Throughout the world people are becoming more concerned about the impact of industrial development on the environment and demanding more government scrutiny.

Large resource projects in Alberta will be subject to greater scrutiny by an environmentally aware public and government. On the one hand, this may slow down resource development and related job creation. On the other hand, Alberta companies are in a good position to develop and export technologies which protect the environment. The growth of such an environmental protection industry would create new jobs for workers in a variety of disciplines, including science, business and international marketing.

POLICY CHALLENGES

The changing nature of the labour market raises several significant public policy issues.

A. Increasing Alberta Industry's Ability to Compete

To succeed, industries will need to anticipate and respond to new market demands on a global rather than a provincial or national basis. Leadership, innovation, and effective marketing will be essential for the long-term success and competitiveness of Alberta's industries. This will undoubtedly require employers and workers to acquire new skills and an increased awareness of global economic trends.

B. Maximizing Workforce Productivity and Potential

As technological change and growing global competition cause a restructuring of the economy, governments will be called upon increasingly to assist industry in the development and maintenance of an appropriately skilled workforce.

Skilled workers are essential to a healthy economy. Traditionally, governments have played a fundamental role in the development of workers through the educational system and through support for employer-based training. The Alberta government is now in a position to ask several important questions. Are the present methods and mix of institutional and industrial training programs appropriate? Do the current systems have the ability to respond quickly and adequately to new skill requirements?

Another essential ingredient in economic growth is the full utilization of available labour. As the population ages and its composition changes, traditional labour sources are expected to decline. Thus less readily available potential workers, the jobless and the underemployed, will require assistance through education and skill training to become full participants in the labour market.

C. Labour Market Adjustment

As economic restructuring continues and labour market imbalances occur, labour market adjustments such as immigration and retraining activities will be affected. While the precise nature of these adjustments is difficult to predict, the need for innovative responses by the private sector, individuals and government is anticipated.

Although less than full participation of individuals in the workforce has always been of concern, it is anticipated that measures to increase participation over the next decade should be given more consideration.

D. Efficient and Effective Utilization of Government Funds

The federal and provincial governments separately establish and implement their own labour market policies and programs. While there are several examples of federal-provincial agreements and other efforts to coordinate activities in this province, there are overlaps and gaps in programming as well as considerable differences in priorities. Improving the linkages between federal and provincial strategies to avoid program and administrative duplication is an important area of public policy. Further improvements would contribute to effective and efficient spending of tax dollars.

MEETING THE CHALLENGES

The changing labour market raises substantial public policy issues. To effectively anticipate the workplace challenges of the 1990s, the following responses could be considered.

A. Training

New technologies and global competition increase the demand for greater skill levels and competence on the job. Maintaining a skilled workforce in the face of continual and rapid change and a maturing population is a task that requires the co-operation of government, industry and individuals and a commitment to work together. As the year 2000 approaches, training and retraining will assume a higher priority.

The Government of Alberta is committed to developing, supporting, and maintaining responsive, employer-based training and retraining mechanisms that will support economic development, diversification and restructuring, and which meets recognized standards of accomplishment.

B. Reducing Seasonal and Cyclical Instability

The Alberta government has acquired considerable experience in responding to periods of rapid economic growth and sudden economic change. Its capacity to act quickly and decisively during cyclical swings in the economy will be enhanced to ensure that valuable labour resources are not lost to the province, that individuals have an opportunity to maintain their skills, and that the economic consequences of short-term layoffs are minimized.

C. Improving Access to the Labour Market

It has become an increasing concern that many youths, persons with disabilities, women, natives, older workers and members of visible minorities are experiencing lengthy periods of unemployment, or are concentrated in low-paying, low-skill occupations. The problem is that many of these individuals lack the skills or work experience required for all but the most basic, entry-level jobs. Yet, as the population ages, Alberta will become increasingly dependent on these individuals to take the place of retiring members of the existing workforce. These individuals will require help overcoming barriers to full workforce participation. The most significant obstacles include:

- lack of experience;
- lack of appropriate education and training;
- lack of information;
- lack of support services; and
- stereotypes concerning the skills and abilities of certain groups.

D. Immigration As A Means of Supporting and Creating Economic Activity

With immigrants forming an ever larger portion of the labour market, Alberta will want to have greater involvement in the immigrant selection process.

Business immigration enhances economic activity and creates jobs in the province. Continued efforts to promote business immigration to Alberta should be viewed as a valuable component of the province's economic development and diversification plans.

To ensure that newcomers are well prepared to become full participants in the economic and social life of Alberta, the review of existing immigration and settlement services will continue.

E. Accurate Labour Market Information

The development, distribution and interpretation of accurate labour market information is vital to the maintenance of an informed, trained and flexible labour force and to the ability of employers, individuals and government agencies to respond correctly to changes in the labour market and economy.

The Alberta Government is aware of the need for an improved understanding of how the labour market works and for up-to-date analysis of labour market trends, not only for its own policy-making purposes, but for the decision-making needs of industry and individuals.

CONCLUSION-LABOUR MARKET POLICY TO THE YEAR 2000

The economic, social and demographic trends identified in this paper will substantially alter the nature of Alberta's labour market. New technologies and increased global competition will generate a continual demand for new, more sophisticated skills and greater worker competence. Continuing growth in the Province's healthy small business sector will add to that demand. Meanwhile, a falling birth rate, aging population, and drop in interprovincial migration will cause Alberta's traditional labour supply to dwindle.

As a result of the above trends, Alberta industries will need to rely more heavily on groups which today face considerable barriers to employment. In order to help maintain its current high level of productivity and competitiveness, Alberta will need to design policies and programs to help these groups — women, natives, immigrants, youth, the disabled — acquire the training, education and English language skills required by the workplace. Additionally, the province will need to seek a greater role in the immigration process, promote industry-based training and re-training, and ensure that accurate labour market information is made available regularly to government, industry and the general public.

The Alberta Government is confident it can meet the labour market challenges of the 1990s. Working in partnership with industry, the Federal Government, and individual Albertans, every effort will be made to enhance the employability and skill level of the workforce with a flexible blend of job creation, training, counselling and information programs. Skilled workers are essential to Alberta's economic health; all Albertans have a stake in building the labour force of tomorrow.